

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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BROOKS, HOUGHTON SECURITIES, INC., GERALD : 07 Civ. 6275  
HOUGHTON, KEVIN CENTOFANTI, AND HIROSHI :  
YOSHIDA :  
:   
Petitioners, : **REPLY AFFIDAVIT OF**  
: **DANIEL J. BROWN**  
-against- :  
:   
LIFE PARTNERS HOLDINGS, INC., :  
:   
Respondent. :  
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STATE OF NEW YORK     )  
                              :ss.  
COUNTY OF NEW YORK    )

**DANIEL J. BROWN**, being duly sworn, deposes and says:

1. I am an attorney associated with the law firm of Blank Rome LLP, counsel for Petitioners, Brooks, Houghton Securities, Inc., Gerald Houghton, Kevin Centofanti and Hiroshi Yoshida ("Petitioners"), and am fully familiar with the facts contained herein. I submit this reply affidavit in further support of Petitioners' application to compel arbitration in the American Arbitration Association and to dismiss or stay the NASD proceeding improperly instituted by Respondent Life Partners Holdings, Inc. ("Respondent").

2. Although Petitioners properly served Respondent with the Order to Show Cause dated July 10, 2007 and the accompanying papers upon which it was granted (the "Order to Show Cause"), Respondent has elected not to appear or file any opposition papers. Petitioners' application should therefore be granted on default.

3. The Order to Show Cause required Petitioners to serve Respondent by facsimile and by overnight mail no later than 11:59 p.m. on July 10, 2007. Respondent's opposition papers were required to be served so as to be received by the undersigned no later than 11:59 p.m. on July 16, 2007.

4. Annexed hereto as Exhibit A is a true and correct copy of the undersigned's Affidavit of Service Via Facsimile and Federal Express, sworn to on July 11, 2007 (the "Affidavit of Service"), which was filed with the Court on July 16, 2007. The Affidavit of Service includes a facsimile confirmation sheet, confirming that the Order to Show Cause was successfully transmitted to Respondent at (254) 751-1025, Attention: R. Scott Peden, Esq. on July 10, 2007 at approximately 4:00 p.m. Mr. Peden is Respondent's In-House Counsel and Corporate Secretary and signed Respondent's Complaint in the NASD proceeding. I note that the Order to Show Cause included the incorrect area code for Respondent (251), however, the fax confirmation sheet indicates that the correct area code is (254) was used in the facsimile service and was received by Respondent. Annexed hereto as Exhibit B is a copy of Respondent's website ([www.lifepartnersinc.com](http://www.lifepartnersinc.com)), indicating that Respondent's fax number is (254) 751-1025.

5. There is no question that Respondent received the Order to Show Cause via facsimile. After the first fax went through successfully, I attempted to fax the Order to Show Cause to Mr. Peden's attention at a second fax number, (254) 741-6017, which is a number Mr. Peden included on letterhead in prior correspondence with my colleague, Kenneth Bressler. While we were attempting to send the second fax, I received a telephone call from a representative from Respondent's office who instructed me to halt the second fax because Respondent had received the first fax in its entirety and there was no need to send a duplicate.

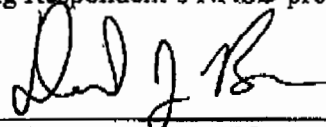
fax. In addition, Respondent's representative confirmed that the Order to Show Cause had been given to Mr. Peden.

6. The Affidavit of Service also includes proof of delivery via Federal Express, indicating that a hardcopy of the Order to Show Cause was received by Respondent on July 11, 2007 at 9:54 a.m. The Federal Express proof of delivery indicates that the package was signed for by a representative from Respondent's office.

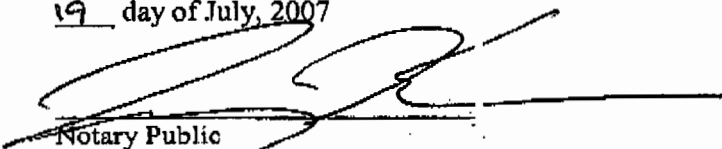
7. Because we received no opposition papers or any communication from Respondent, yesterday I sent Mr. Peden a letter via facsimile, a copy of which is annexed hereto as Exhibit C, confirming (i) we received no opposition papers from Respondent; and (ii) Petitioners' intent to proceed with the instant application. To date, I received no response.

**Conclusion**

8. Because Respondent has chosen to default on the Order to Show Cause and for the reasons stated in Petitioners' opening papers, it is respectfully requested that this Court enter an order (i) compelling Respondent to arbitrate its claims against Petitioners in the American Arbitration Association; and (ii) dismissing or staying Respondent's NASD proceeding.

  
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DANIEL J. BROWN

Sworn to before me this  
19 day of July, 2007

  
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Notary Public

**JEREMY KIRKLAND**  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01K16149445  
Qualified in Kings County  
Commission Expires July 10, 2010